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FORMER COMPANY VICE PRESIDENT SENTENCED TO PRISON FOR FALSIFYING DATA
ON MILLIONS OF GALLONS OF REFORMULATED GASOLINE

NEWARK – A former vice president of a multinational petroleum products testing company was sentenced to 57 months in prison today for conspiring to violate the federal Clean Air Act, to make false statements to the Environmental Protection Agency, to commit mail fraud, and to obstruct justice, U.S. Attorney Christopher J. Christie and Tom Sansonetti, Assistant Attorney General for the Department of Justice's Environment and Natural Resources Division, announced.

Thomas M. Hayes, 51, of Rockaway Township, N.J., formerly vice president of Western Hemisphere operations of Saybolt Inc., was convicted by a federal jury in April 2003 of the above-described conspiracy and was acquitted of the second charge in the indictment - obstruction of justice. Evidence at trial indicated that Hayes directed a number of Saybolt employees to falsify test reports that gasoline and other petroleum products met Government requirements, or requirements set forth in contracts between sellers and buyers, when he knew that the products in question did not meet those standards. One of those standards was in regard to reformulated gasoline, a cleaner-burning gasoline that is required by federal law to be used in nine major metropolitan areas of the United States, including in New Jersey and the New York City area, with the worst ozone air pollution problems, and has been required by local initiative in other areas.

According to trial evidence, the fraud was designed to assist Saybolt in keeping customers who sold petroleum products by allowing those customers to sell substandard reformulated gasoline and other petroleum products. Trial evidence indicated that it is very expensive for a seller of petroleum to re-blend a product that does not meet specifications, so it is very important for the seller of petroleum to have its product meet Government or contractual specifications.

"Compromising the nation's air resources is a serious crime," said Assistant Attorney General Tom Sansonetti. "Today's sentence sends a strong message to senior executives and managers that they will be held accountable for crimes against the environment."

In July 2001, three former employees of Saybolt pleaded guilty to conspiracy to violate the Clean Air Act. Each of them had signed cooperating plea agreements and testified at the trial of Hayes.

In January 1999, Saybolt, Inc. entered a corporate guilty plea in federal court in Boston to conspiracy and wire fraud. Saybolt's parent company, Saybolt North America Inc., pleaded guilty to related charges as well.

Hayes was convicted of carrying out the conspiracy as early as September 1992 to approximately November 1996 at Saybolt's facilities in New Jersey and Woburn, Mass. The conspiracy centered on, but did not exclusively involve, the testing of the oxygen content of

reformulated gasoline, which is blended to meet environmental specifications for various chemical and physical properties, including oxygen content. According to trial evidence, Hayes and his co-conspirators routinely inflated the oxygen content of certain customers' reformulated gasoline in report that were submitted to the EPA. Saybolt employees, at the direction of Hayes, falsified data, reporting results that were not actually obtained in the laboratory. In some instances the falsified reports enabled refiners and importers to sell reformulated gasoline that did not meet minimum Government requirements. In other instances, sellers received undeserved "credits" for selling reformulated gasoline that purportedly exceeded minimum environmental specifications.

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